

Hobbies

Nicks and scrapes don't hurt coins' status

By Roger Boye

Today's column answers more questions about coins and paper money.

Q—For years we've been buying uncirculated coins from the United States Mint. But we've noticed that several quarters and half dollars in our sets have small nicks and scrapes. How can the government sell such a product and call it "uncirculated"?

P.L., Woodridge

A—Your coins still would merit the "uncirculated" category despite the tiny imperfections called "bag marks." Such damage usually occurs as newly minted coins collide during the production process.

Still, if you're not satisfied with the merchandise you receive, you can return it to the mint for an exchange. But the time to do that

is soon after the sets arrive, not years later.

Q—You've discussed how much it costs to make various coins. What does the government spend to print a \$1 bill, \$5 bill and so forth?

H.B., Chicago

A—The cost runs about three cents per note, regardless of denomination. Certain coin types are slightly more expensive to produce, but coins will last in circulation for decades while \$1 bills normally wear out in 18 months.

Q—We want to invest in some gold when the metal's price is below \$350 an ounce. Would you recommend modern "bullion coins" or old U.S. gold pieces?

G.H., Oak Park

A—You'll get more gold for your money with bullion coins, but U.S. "double Eagles" might prove to be a better investment

in the long run. Earlier this month, a well-known dealer was charging \$355 for a one-ounce American Eagle made last year and \$419 for an uncirculated \$20 gold piece minted a century ago. The older coin contains just .97 ounce of gold, but it also is in demand as a collectible.

Q—We own several \$2 bills with postage stamps attached and postmarked April 13, 1976. Does this have significance?

A.R., Chicago

A—Thousands of hobbyists had their \$2 Federal Reserve notes of series 1976 postmarked on April 13, 1976, to prove that they obtained the money on its first day of issue. But such postage-currency combinations have little "collector value" on today's market. April 13 is the birthday of Thomas Jefferson, who is depicted on the \$2 note.